

<b>2016 KENT COUNTY PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAM</b>		Kent/MSU Extension Attn: Stacy Byers 775 Ball Ave NE Grand Rapids, MI 49503 Email: <a href="mailto:stacy@sheridanland.com">stacy@sheridanland.com</a> Tel: (616) 632-7878	<b>FOR OFFICIAL USE ONLY</b>	Application Number
<b>PURCHASE OF DEVELOPMENT RIGHTS (PDR) APPLICATION</b> <i>This information is required by authority of Kent County Farmland Preservation Ordinance adopted November 26, 2002 for farmland development rights to be considered for purchase by County of Kent.</i>				
<b>APPLICATION DEADLINE: Postmarked by July 31, 2016 to Kent/MSU Extension</b>				
<b>PART 1 - LANDOWNER INFORMATION</b>				
<b>LANDOWNER:</b> Please clearly print or type all information. <b>Be sure to complete the front and back sides of all pages.</b>				
1. Landowner's Last Name		First Name	Middle Initial	Home Telephone Number
Street Address or PO Box Number		<b>Email Address</b> ( <i>this is the preferred form of communication</i> )		Business Name (if applicable)
City	State	Zip Code		Business Telephone Number
<b>PROPERTY INFORMATION</b>				
2. Township(s) Where Nominated Property Is Located:				
More than one parcel may be submitted as one application if the parcels are owned by the same person(s) and are LESS THAN ½ MILE APART. For parcels more than ½ mile apart, a separate application must be completed.				
Tax Parcel Number(s) of Nominated Property. (You may use a separate sheet if necessary.) _____ _____				
3. Total Number of Acres Nominated in this Application:		4. Total Number of Nominated Acres Currently in Agricultural Production. (see lands eligible for Development Rights Purchase)		
5. If applicable, list parcel numbers and acreage amounts for each parcel currently in the <b>PA 116</b> program. (You may use a separate sheet if necessary.) Parcel number(s): _____				
6. Type of Agriculture Practiced on Nominated Property ( <i>Check all that apply</i> )				
<input type="checkbox"/> Livestock		<input type="checkbox"/> Cash Crops		<input type="checkbox"/> Greenhouse and/or Nursery
Type:		<input type="checkbox"/> Vegetables		<input type="checkbox"/> Christmas Trees
<input type="checkbox"/> Aquaculture		<input type="checkbox"/> Fruit		<input type="checkbox"/> CRP or Other Set Aside Program
<input type="checkbox"/> Other:		<input type="checkbox"/> Other:		
7. I own the nominated property by:  (Please attach a copy of the deed or land contract as proof of ownership.)		<input type="checkbox"/> Deed  <input type="checkbox"/> Land Contract * *Land Contract Seller's signature must appear on back page indicating agreement with this application.		
8. Block Application: Property owners may earn points toward their application for applying with other contiguous (next door or across the street) property owners. In order to earn points, all owners must write each other's names here. The same names must appear on each set of applications in the block. (Note: Property owners that apply for PDR for 300 or more contiguous acres will be awarded points for their own block.) <b>Name of Contiguous Property Owners Applying for PDR as a Block:</b> _____ _____				

<p>9. Ownership of Mineral Rights on the Nominated Property: Your land is eligible for consideration even if you do not own the mineral rights. However, the owners of the mineral rights must be willing to sign a subordination agreement. (Check one box only)</p>	
<input type="checkbox"/> I own all mineral rights.	<input type="checkbox"/> I own some mineral rights. Name the other party that also owns some mineral rights: _____ _____
<input type="checkbox"/> I do not own any mineral rights. Name the other Party that owns the mineral rights: _____ _____	<input type="checkbox"/> I do not know who owns the mineral rights.
<p>10. Is the nominated property already restricted from being developed? Are there any restrictive covenants, leases or easements on the nominated property, such as land entered into the Federal Wetland Reserve Program (WRP), an existing conservation easement with a private conservancy, or a long-term lease that restricts the use of the land for agricultural purposes only?</p>	
<input type="checkbox"/> No <input type="checkbox"/> Yes      If yes, please explain: _____	
<p>11. <b>Please include an aerial photograph</b> from the Farm Service Agency (616-942-4111) and attach it to this application. Attach additional sheets if necessary. An online map of your property can also be found and downloaded free of charge from <a href="http://www.terraservert.microsoft.com">www.terraservert.microsoft.com</a>.</p> <p><b>Please specify if you are not including the whole parcel described in the tax bill, deed or land contract by drawing on the aerial photo.</b> A survey is not required for this application. If appropriate, please indicate by drawing on the aerial photograph which part(s) of the parcel will be left out of the PDR Program with dimensions in feet.</p> <p><b>Applications reserving more than one future building site will be penalized a minimum of 10 points</b> (out of a total of 100 points). For example, applications excluding two future building sites will be penalized 10 points, three building sites equals a loss of 15 points. Federal guidelines state that the one allowed future building site be reserved for a person/family connected with the farming operation. Applicants who exclude non-prime farmland in order to meet federal/state 50% prime and/or 51% tillable/productive agriculture criteria will not be penalized. See 2016 Scoring Criteria for more detail. Applicants excluding future building sites will want to make the sites meet township regulations.</p> <p>In addition, <b>we recommend you exclude your existing home site(s)</b>. You need not provide a survey of the excluded areas when you submit this application, but you will be asked to cover the cost of a survey if your application is funded. New structures and/or improvements that are necessary to continue the farming operation are permitted on land entered into a PDR easement.</p>	
<p>12. <b>Do you as the landowner plan to donate a portion of the development rights value as matching funds?</b>          In order to apply for federal matching funds in early 2016, 50% of the appraised value of your development rights must be secured. Without matching funds, Kent County cannot move forward with your application.</p> <p>_____ Yes    _____ No    (Please do not answer "Maybe." If you need to, write a letter to explain your intentions.)</p> <p>If yes, please indicate the dollar amount. \$ _____</p> <p>If yes, please calculate what percentage of the property's SEV (State Equalized Value found on your property tax bills) that your donation equals. _____ % of property's SEV. SEV of property is \$_____.          A donation may result in an income tax benefit. Discuss this with your CPA or tax attorney to confirm your eligibility. Applicant's offering to take less than the appraised value will be scored higher, but must honor that offer at time of closing.</p>	
<p>13. Unique or historical characteristics of the property will be awarded points. Do any of the following apply to the property: Certified Organic Farm, Centennial Farm, National Historical Registry for historical or archeological value, property contains a natural water course or water body such as a stream, river, or lake shoreline, property contains threatened or endangered species? (You may use a separate sheet if necessary.)</p> <p><input type="checkbox"/> Yes    Explain: _____    <input type="checkbox"/> No</p>	

14. Is the property currently in compliance with Michigan Department of Environmental Quality regulations?

☐ Yes ☐ No If answered No, please explain: \_\_\_\_\_

16. Properties where the township financially supports the purchase of development rights will receive greater priority in the scoring criteria. Four (4) points will be granted for a minimum of \$2,000 contribution from the township and three (3) points will be awarded for townships that have a line item in the township's annual budget to support farmland preservation. You may want to contact your township and make a request that the township board consider both of these options.

17. Does the property have irrigation or tiling? ☐ Yes ☐ No

If yes, how many acres of the property in your application are irrigated or tiled? \_\_\_\_\_

18. Does the property have a USDA NRCS Resource Management System Level conservation plan?

☐ Yes ☐ No If yes, date the plan was signed: \_\_\_\_\_

19. Please verify that the owner(s) of the property do not exceed USDA income limits.

☐ The owner(s) of the property have not had a non-farm income exceeding \$1 million in any year of the last three years.

☐ The owner(s) of the property have had a non-farm income exceeding \$1 million in at least one of the past three years. Therefore, we acknowledge that we are not eligible for USDA grant funds to preserve our farm.

For more information on this issue, please contact the USDA Farm Service Agency at (616) 942-4111.

20. Is the property enrolled in a formal public access program? (Hunters Access Program, trail easement, etc.)

☐ Yes ☐ No If yes, please list program: \_\_\_\_\_

#### CERTIFICATION

**PLEASE NOTE:** *All individuals who own an interest in the nominated property, including the Land Contract Seller, must sign below, if necessary, for Kent County to consider this application.*

I (we) certify that the statements made above are a true and accurate representation of the facts regarding the nominated parcel(s). It is understood that signature does not obligate sale of development rights but simply permits the State to consider purchase of the development rights. I (we) also understand this information will be subject to public record if the nominated property is selected.

\_\_\_\_\_  
Landowners Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Landowners Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Landowners Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Land Contract Seller's Signature (If Applicable)

\_\_\_\_\_  
Date

#### 2016 KENT COUNTY PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAM

Kent/MSU Extension  
Attn: Stacy Byers  
775 Ball Ave NE  
Grand Rapids, MI 49503  
Email: [stacy@sheridanland.com](mailto:stacy@sheridanland.com)  
Tel: (616) 632-7878

#### FOR OFFICIAL USE ONLY

Application Number

## PART 2 - USDA NRCS DISTRICT OFFICE INFORMATION FOR PURCHASE OF DEVELOPMENT RIGHTS (PDR) APPLICATION

*This information is required by authority of Part 361 of Act 451 of 1994, as amended for farmland development rights to be considered for purchase by the County of Kent.*

***Please complete and return to Stacy Byers at the above address by July 31, 2016.***

1. Landowner's Last Name	First Name	Middle Initial	Home Telephone Number
Street Address or PO Box Number			Business Name (if applicable)
City	State	Zip Code	Business Telephone Number

### PROPERTY INFORMATION

2. Township Where Nominated Property Is Located:		
Tax Parcel Number(s) of Nominated Property		
Total Number of Acres Nominated in this Application:	Total Number of Nominated Acres Currently in Agriculture Production. <i>(As stated by landowner. See lands eligible for Development Rights Purchase)</i>	

*Please clearly print or type all information.*

3. Please verify and state the total number of acres devoted agricultural use: \_\_\_\_\_
4. Percent of nominated acres devoted to agricultural use: \_\_\_\_\_
5. Does the nominated parcel have a minimum of 50% Prime or Unique soils as defined in the attached list?  
☐ Yes      ☐ No
- Total number of acres = \_\_\_\_\_ divided by acres of Prime or Unique soils = \_\_\_\_\_ =  
 \_\_\_\_\_ % Prime/Unique
6. Does the property have ANY type of conservation plan (including RSML) or an appointment to develop a conservation plan? Please explain:

### CERTIFICATION

I hereby certify that the statements made above are a true and accurate representation of the facts regarding the nominated property. I also agree to work with this landowner if they are accepted by the Federal Farm and Ranch Lands Protection Program to finalize a required Resource Management System Level conservation plan. USDA NRCS Representative or Soil Conservation District Representative may sign.

\_\_\_\_\_  
Signature of USDA NRCS Representative

\_\_\_\_\_  
Date

### Lands Eligible for Development Rights Purchase

A parcel of any size is eligible for consideration for development rights purchase, provided that at least 51% of the nominated property is currently devoted to an agricultural use. Agricultural use

means substantially undeveloped land devoted to the production of plants and animals useful to humans, including forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing of cattle, swine, captive cervidae, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; Christmas trees; and other similar uses and activities. **The management and harvesting of a wood lot is not an agricultural use under this act.** A farm enrolled in a federal acreage set aside program or federal Conservation Reserve Program (CRP) is considered an agricultural use.

### **AGRICULTURAL USE DEFINITION**

**(from Kent County Farmland Preservation Ordinance, Adopted December 2002)**

#### **Section 2**

B. "Agricultural use" means substantially undeveloped land devoted to the production of plants and animals useful to humans, including forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing of cattle, swine, captive cervida, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; Christmas trees; and other similar uses and activities. Agricultural use includes use in a federal acreage set-aside program, a federal conservation reserve program, or a wetland reserve program. Agricultural use does not include the management and harvesting of a woodlot.

### **PRIME OR UNIQUE LAND DEFINITION**

The definition of prime, unique, or other productive soil, as defined in Section 1540(c)(1)(A) of the Farmland Protection Policy Act of 1980, as amended, 7 U.S.C. 4201 et seq., is as follows:

- (a) Prime farmland is land that has the best combination of physical and chemical characteristics for producing food, feed, fiber, forage, oilseed, and other agricultural crops with minimum inputs of fuel, fertilizer, pesticides, and labor, and without intolerable soil erosion, as determined by the Secretary. Prime farmland includes land that possesses the above characteristics but is being used currently to produce livestock and timber. It does not include land already in or committed to urban development or water storage;
- (b) Unique farmland is specific to each county and will be defined by the Soil Conservation District Agent.

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**PART 3 - LOCAL GOVERNMENT INFORMATION**  
**FOR PURCHASE OF DEVELOPMENT RIGHTS (PDR) APPLICATION**

*This information is required by authority of Part 361 of Act 451 of 1994, as amended for farmland development rights to be considered for purchase by the County of Kent.*

***Please complete and return (2 sides) to Stacy Byers at the above address by July 31, 2016.***

*If your Board meeting occurs after this date, please contact Stacy Byers at [stacy@sheridanland.com](mailto:stacy@sheridanland.com) or (616) 632-7878 and inform her of your meeting date.*

*Please notify the landowner(s) of the date and time their application will be considered by the Board so they are able to attend the meeting and answer any questions the Board may have. Stacy Byers is also willing to attend Board meetings if requested.*

1. Landowner's Last Name	First Name	Middle Initial	Home Telephone Number
Street Address or PO Box Number			Business Name (if applicable)
City	State	Zip Code	Business Telephone Number

**PROPERTY INFORMATION**

2. County Where Nominated Property Is Located  <b>Kent</b>	Township
Tax Parcel Number(s) of Nominated Property	
Total Number of Acres Nominated by Landowner	Total Number of Nominated Acres Currently in Agriculture (see "Lands Eligible for Development Rights Purchase")

**LOCAL GOVERNMENT OFFICIAL:** *Please clearly print or type all information.*

3. Is the resolution the Township passed to allow landowners to apply for the PDR Program still active?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Is the nominated property in an area slated for commercial, industrial, or within a designated urban services district (water and sewer) in the master plan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Is the township willing to contribute funds towards the purchase of development rights on this property? If so, please state the amount, if known.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Dollar amount or percentage of the value of development rights: _____		
6. Is the nominated property currently zoned for agricultural use?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
You may want to have the township zoning administrator review the application, particularly if there are reserved future building sites.		
7. Is the property located in an exclusive agricultural zoning district that allows no more than one dwelling unit per 20 acres AND the zoning also allows houses to be built on 3 acre lots or smaller (cluster or open space development)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8. Has the Township approved this PDR application?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Please attach the record (Board meeting minutes) of approval or denial of application to this form.</b>		

### CERTIFICATION

We (I) certify that the statements made above are a true and accurate representation of the facts regarding the nominated property.

\_\_\_\_\_  
Signature of Township Planner – if applicable

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Local Government Official

\_\_\_\_\_  
Date

### **Lands Eligible for Development Rights Purchase:**

A parcel of any size is eligible for consideration for development rights purchase, provided that at least 51% of the nominated property is currently devoted to an agricultural use. Agricultural use means substantially undeveloped land devoted to the production of plants and animals useful to humans, including forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing of cattle, swine, captive cervidae, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; Christmas trees; and other similar uses and activities. **The management and harvesting of a wood lot is not an agricultural use under this act.** A farm enrolled in a federal acreage set aside program or federal Conservation Reserve Program (CRP) is considered an agricultural use.

# What is a Purchase of Development Rights Program?

A purchase of development rights (PDR) program is a means of compensating farmers for their willingness to accept a deed restriction on their land that limits future development of the land for non-agricultural purposes. Landowners are compensated for the fair market value of their land, based on the difference between what it can be sold for on the open market with no restrictions and what it can be sold for once an easement is placed on the land. State certified appraisers determine these values and the agreement is negotiated on an individual basis with the farmer in a willing seller, willing buyer atmosphere.

- Permanent protection of farmland – community benefits from economic activity generated by agriculture, stable land use patterns, fewer infrastructure needs, lower cost of community services and from enhanced rural character.
- Participation is completely voluntary and landowners receive fair market value for development rights. All private property rights remain intact.
- Cash from sale of development rights can be used for reducing debt, lowering operating cost, improving or expanding farm operations, college educations, retirement, etc. Proceeds from easement sales are often recycled back into local economy.
- Landowner can access portion of land equity while still maintaining ownership and agricultural use of land and without having to sell it for development or non-farm uses.
- Property taxes and inheritance taxes based only on residual agricultural value of the land rather than the full developmental value.
- Farmland is now affordable for younger farmer and eases transfer of property to future generations.
- Landowner can still borrow against reduced equity in their land. Other states' track records show remaining land retains excellent (and increasing) resale value.



# Kent County Purchase of Development Rights Program

## Potential Questions and Answers

Q. ***If I sell my development rights to the county in exchange for a permanent agricultural conservation easement, do I still own the land?***

A. Yes, you are simply ensuring that your farmland will be preserved for future agricultural use and generations. You still own the farm and may continue to enjoy its use.

Q. ***What is an agricultural Conservation Easement?***

A. An easement is a right. A “conservation easement” is a recorded legal document that limits the type and amount of development that may occur on a property. You may own a particular farm property “fee simple” meaning that you have all rights to occupy, use, and enjoy the land. One right you have is the right to develop that property for commercial, residential, or other uses as prescribed in your township’s zoning ordinance. When we say that we would like to purchase an agricultural conservation easement on your property, we mean we would like to purchase only the development rights associated with farm parcels so that they are preserved as farmland for the future.

Q. ***Why should I sell my development rights to the county?***

A. Landowners have chosen to participate in the program for many reasons. Some farmers do not plan to develop their property, and appreciate the ability to access some of the land’s equity while continuing to farm. Proceeds from easement sales have been used, for example, for the payments of debts, or to finance needed capital investments. If you intend to pass the farm on to heirs, selling your development rights may offer special tax advantages. Only you can determine if the benefits of the program will work for you and your family.

Q. ***Is there a market for deed restricted farmland?***

A. Yes. Due to its relatively low cost, there is a high demand for deed-restricted farmland among established farmers looking to increase their landholdings and new farmers who want to purchase affordable farmland. Some participants in the program have sold their development rights as a first step to selling the farm. This ensures the land is not developed and will remain as farmland.

Q. ***How do you determine the value of my development rights?***

A. The easement value of your farm is affected by a number of variables including location, zoning, road frontage, soil types, and development pressure. To determine the easement value, a state certified appraiser will be hired to appraise the property. The appraiser values the fee simple or “before easement” value of your land and its restricted or “after easement” value. The difference between the two values is the appraised value of your “development rights,” or what the county will pay you for your agricultural easement. For example:

Before Easement =	\$3000.00 per acre, value of land unrestricted
After Easement =	\$1200.00 per acre, value of land restricted
Payment =	\$1800 per acre, value of development rights

*(The price the county would pay to preserve the land)*

Q. ***If I sell my development rights to the county will the public have the right to come on my property?***

A. No. The public is not granted any right to use your land. County elected officials remain strong proponents for the strengthening of right-to-farm laws and ordinances to protect farm properties that are preserved under the program. This will help to further strengthen your protection from public violations of your rights as a landowner.

Q. ***When would the county buy my development rights?***

A. The county reviews all of the applications submitted by the application deadline. Following preliminary approval by the Agricultural Preserve Board, it is anticipated that the landowners will be made an offer within six months. Once a contract of sale is executed, the easement sale will close within approximately six months. In the event that a large number of applications are received, the appraisals, and consequently, offers would be done in batches so the timeline might be slightly longer.

Q. ***What happens after I submit my application?***

A. All applications are reviewed to determine their relative ranking according to the county's adopted scoring system. The scoring includes soil classifications, parcel size, surrounding land uses, proximity to existing livestock farms, development pressure and more (see attached selection criteria). Based on the results of the ranking, the county will determine which applications will receive preliminary approval. Approved farms are then appraised in order to determine their easement value.

Q. ***Am I required to accept the county's offer?***

A. No. The Purchase of Development Rights Program is entirely voluntary. After you are informed of the offer you can either accept the value or reject it and "walk away." It is up to you.